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**Captain**

**Mines**

**Limited**

BOYLEN

*Annual Report*

*For the Year Ended December 31st, 1969*

**DIRECTORS**

|                      |   |   |   |   |   |   |   |   |                          |
|----------------------|---|---|---|---|---|---|---|---|--------------------------|
| PHILIP E. BOYLEN     | - | - | - | - | - | - | - | - | Toronto, Ontario         |
| D. W. GORDON         | - | - | - | - | - | - | - | - | Toronto, Ontario         |
| GORDON L. MOORE      | - | - | - | - | - | - | - | - | Islington, Ontario       |
| CHARLES B. BRANNIGAN | - | - | - | - | - | - | - | - | Toronto, Ontario         |
| GORDON F. PUSHIE     | - | - | - | - | - | - | - | - | St. John's, Newfoundland |

**OFFICERS**

|                      |   |   |   |   |   |   |   |   |   |                       |
|----------------------|---|---|---|---|---|---|---|---|---|-----------------------|
| PHILIP E. BOYLEN     | - | - | - | - | - | - | - | - | - | <i>President</i>      |
| D. W. GORDON         | - | - | - | - | - | - | - | - | - | <i>Vice-President</i> |
| GORDON L. MOORE      | - | - | - | - | - | - | - | - | - | <i>Secretary</i>      |
| CHARLES B. BRANNIGAN | - | - | - | - | - | - | - | - | - | <i>Treasurer</i>      |

**TRANSFER AGENT  
AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA  
Toronto, Ontario

**AUDITORS**

THORNE, GUNN, HELLIWELL & CHRISTENSON  
Toronto, Ontario

**HEAD OFFICE**

Suite 908, 330 Bay Street  
Toronto, Ontario

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**CAPTAIN MINES LIMITED**

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# CAPTAIN MINES LIMITED

## *Directors' Report*

TO THE SHAREHOLDERS:

The financial statements of the Company for the fiscal year ended December 31, 1969, notes relevant thereto and the Report of the Auditors, are submitted herewith.

### PROVINCE OF ONTARIO

#### Red Lake Mining Division

Your Company's 18 claims in Honeywell Township were explored in 1969 by airborne electromagnetic and magnetic surveys. Although no anomalies are detected, a contact zone on the western part of the property was thoroughly prospected. Sufficient work was done to keep the claims in good standing until 1972. In the meantime, the base metal deposit of Selco Explorations Limited, which directed attention to the area, may be developed or geologically assessed. When available, the Selco information will assist your Company's management in devising a possible extension of its recent exploration program in Honeywell Township.

#### Patricia Mining Division

The discovery of a large base metal ore body by Mattagami Lake Mines prompted your Company's management to acquire, subsequent to year end, an 80% interest in 18 claims for the cost of staking. These are in the Savant Lake area, north of the major discovery site. In consideration for information derived from an earlier airborne survey of the area, your Company granted the remaining 20% interest in the property to Northern Canada Mines Limited.

Management intends to have the claims inspected geologically as early in 1970 as ground conditions permit. Geophysical or geochemical surveying may result from the geological appraisal.

### PROVINCE OF NEW BRUNSWICK

The Mining Licence held by your Company covering a total of 1,210.7 acres, located in the Parishes of Northesk and Bathurst, in the Counties of Northumberland and Gloucester, is maintained in good standing. Diamond drilling on this property has indicated reserves to a depth of 1,200 feet of 343,000 tons, after dilution, grading 1.99 per cent copper, 0.28 ounces of silver and 0.017 ounces of gold per ton. The recent escalation of copper prices has considerably enhanced your management's opinion of this property, and consideration is being given to further deep and lateral diamond drilling.

### NORTHWEST TERRITORIES


Captain Mines Limited has maintained its three mining leases in the Yellowknife mining area as well as its 15% interest in 1,080 claims on Victoria Island. While no immediate work is planned for the Yellowknife gold property, your Company will share in any developments that may result from activities planned for the Victoria Island copper property by Grandroy Mines Limited, which holds a 50% interest.

### PROVINCE OF QUEBEC

The Company's property in the Johan Beetz area, being less promising than other holdings, was permitted to expire in February, 1970.

On behalf of the Board of Directors,

Toronto, Ontario,  
April 10, 1970.

  
President.



# CAPTAIN MINES LIMITED

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## *Auditors' Report*

To the Shareholders of  
Captain Mines Limited

We have examined the balance sheet of Captain Mines Limited as at December 31, 1969 and the statements of mine development and administrative expenditures, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,  
Chartered Accountants.

Toronto, Canada,  
March 23, 1970.

# CAPTAIN MINES LIMITED

(Incorporated under the laws of Ontario)

## Balance Sheet—December 31, 1969

(with comparative figures at December 31, 1968)

### ASSETS

|  | 1969              | 1968              |
|--|-------------------|-------------------|
| CURRENT ASSETS   |                   |                   |
| Cash .....   | \$ 1,939          | \$ 7,779          |
| Deposit receipt .....                                  | 25,000            | 35,000            |
| Accounts receivable .....                              | 4,696             | 3,911             |
|  | <u>31,635</u>     | <u>46,690</u>     |
| Investments, at cost (note 1) .....                    | 73,281            | 73,281            |
| Mining properties (note 2) .....                       | 142,097           | 143,550           |
| Mine development and administrative expenditures ..... | 314,815           | 315,449           |
|  | <u>\$ 561,828</u> | <u>\$ 578,970</u> |

### LIABILITIES

|  |        |        |
|--|--------|--------|
| CURRENT LIABILITIES                            |        |        |
| Accounts payable and accrued liabilities ..... | \$ 320 | \$ 300 |

### SHAREHOLDERS' EQUITY

|   |                   |                   |
|---|-------------------|-------------------|
| CAPITAL STOCK   |                   |                   |
| Authorized  |                   |                   |
| 5,000,000 shares without par value, not to exceed an aggregate of \$5,000,000 |                   |                   |
| Issued (note 3)   |                   |                   |
| 4,932,571 shares .....  | 789,715           | 789,715           |
| Deficit .....   | 228,207           | 211,045           |
|   | <u>561,508</u>    | <u>578,670</u>    |
|   | <u>\$ 561,828</u> | <u>\$ 578,970</u> |

Approved by the Board:

P. E. BOYLEN, Director.

G. L. MOORE, Director.



# CAPTAIN MINES LIMITED

## *Statement of Deficit*

Year ended December 31, 1969  
(with comparative figures for 1968)

|  | 1969       | 1968       |
|--|------------|------------|
| Balance at beginning of year .....                       | \$ 211,045 | \$ 211,045 |
| Mining claims abandoned .....                            | 2,739      |            |
| Deferred mine development expenditures written off ..... | 14,423     |            |
|  | 17,162     |            |
| Balance at end of year .....                             | \$ 228,207 | \$ 211,045 |

## *Statement of Source and Application of Funds*

Year ended December 31, 1969  
(with comparative figures for 1968)

|   | 1969      | 1968      |
|---|-----------|-----------|
| SOURCE OF FUNDS   |           |           |
| Issue of shares .....                                   |           | \$ 92,486 |
| APPLICATION OF FUNDS                                    |           |           |
| Mine development and administrative expenditures .....  | \$ 13,789 | 23,581    |
| Additions to mining properties                          |           |           |
| Central West Section of Victoria Island, N.W.T. ....    | 81        | 10,811    |
| Red Lake Mining Division, Ontario .....                 | 1,205     |           |
|   | 15,075    | 34,392    |
| Increase (decrease) in working capital position .....   | (15,075)  | 58,094    |
| Working capital (deficiency) at beginning of year ..... | 46,390    | (11,704)  |
| Working capital at end of year .....                    | \$ 31,315 | \$ 46,390 |

# CAPTAIN MINES LIMITED

## *Statement of Mine Development and Administrative Expenditures*

Year ended December 31, 1969

|   | Balance<br>December<br>31, 1968 | Additions<br>during<br>year | Written off<br>during<br>year | Balance<br>December<br>31, 1969 |
|---|---------------------------------|-----------------------------|-------------------------------|---------------------------------|
| <b>MINE DEVELOPMENT</b>                 |                                 |                             |                               |                                 |
| Assays and core boxes .....             | \$ 5,774                        | \$ 8                        |                               | \$ 5,782                        |
| Engineering fees .....                  | 2,231                           |                             | \$ 72                         | 2,159                           |
| Geological surveys .....                | 9,025                           | 556                         | 2,044                         | 7,537                           |
| Geophysical surveys .....               | 16,320                          |                             | 947                           | 15,373                          |
| Insurance .....                         | 118                             |                             |                               | 118                             |
| Maps and blueprints .....               | 941                             | 117                         | 472                           | 586                             |
| Mine office expenses .....              | 111                             |                             |                               | 111                             |
| Mining licenses and fees .....          | 8,503                           | 979                         | 960                           | 8,522                           |
| Road expenses .....                     | 500                             |                             |                               | 500                             |
| Surface diamond drilling .....          | 159,713                         |                             |                               | 159,713                         |
| Surface exploration .....               | 47,910                          | 1,993                       | 8,481                         | 41,422                          |
| Travelling and transportation .....     | 8,362                           | 643                         | 1,447                         | 7,558                           |
| Survey .....                            |                                 | 476                         |                               | 476                             |
|   | <u>259,508</u>                  | <u>4,772</u>                | <u>14,423</u>                 | <u>249,857</u>                  |
| <b>ADMINISTRATIVE</b>                   |                                 |                             |                               |                                 |
| Advertising .....                       | 1,002                           |                             |                               | 1,002                           |
| Bank charges and interest .....         | 2,688                           | 2                           |                               | 2,690                           |
| Corporation taxes .....                 | 595                             | 172                         |                               | 767                             |
| Filing fees .....                       | 2,808                           | 40                          |                               | 2,848                           |
| General expense .....                   | 824                             | 264                         |                               | 1,088                           |
| Head office administration .....        | 27,150                          | 3,000                       |                               | 30,150                          |
| Legal and audit .....                   | 7,414                           | 500                         |                               | 7,914                           |
| Office stationery and supplies .....    | 3,374                           | 94                          |                               | 3,468                           |
| Postage .....                           | 816                             | 5                           |                               | 821                             |
| Security registration .....             | 2,323                           | 100                         |                               | 2,423                           |
| Telephone and telegraph .....           | 1,447                           | 7                           |                               | 1,454                           |
| Transfer agent and registrar fees ..... | 8,939                           | 888                         |                               | 9,827                           |
| Reports to shareholders .....           | 4,656                           | 1,094                       |                               | 5,750                           |
| Directors' fees .....                   | 500                             | 800                         |                               | 1,300                           |
| Executive salaries .....                |                                 | 4,000                       |                               | 4,000                           |
|   | <u>64,536</u>                   | <u>10,966</u>               |                               | <u>75,502</u>                   |
| Less interest earned .....              | 8,595                           | 1,949                       |                               | 10,544                          |
|   | <u>55,941</u>                   | <u>9,017</u>                |                               | <u>64,958</u>                   |
|   | <u>\$ 315,449</u>               | <u>\$ 13,789</u>            | <u>\$ 14,423</u>              | <u>\$ 314,815</u>               |



# CAPTAIN MINES LIMITED

## *Notes to Financial Statements*

Year ended December 31, 1969

### 1. INVESTMENTS

|  |                  |
|--|------------------|
| 3,600 shares Northern Canada Mines Limited<br>(market value 1969, \$2,772; 1968, \$3,168) .....  | \$ 7,935         |
| 54,232 shares Atlantic Coast Copper Corporation Limited<br>(market value 1969, \$30,912; 1968, \$30,370) .....                           | 54,233           |
| 111,134 shares Beauce Placer Mining Co. Limited of which 55,567 are held in escrow<br>(market value 1969, \$5,557; 1968, \$10,002) ..... | 11,113           |
|  | <u>\$ 73,281</u> |

### 2. MINING PROPERTIES

3 mining leases, Yellowknife mining district, Northwest Territories. Consideration given was 1,200,000 shares valued by the directors at 10¢ per share.

1 mining license comprising 1,210 acres in the parishes of Bathurst and Northesk, Counties of Gloucester and Northumberland, Province of New Brunswick. Consideration given was 200,000 shares valued by the directors at 5¢ per share.

15% interest in 1,080 mining claims situated in the Central West Section of Victoria Island in the Northwest Territories. Consideration given was cash.

18 mining leases, Red Lake Mining Division, Ontario. Consideration given was cash.

### 3. CAPITAL STOCK

During 1968, 616,571 shares were issued for \$92,486 cash. Consideration for issued shares at December 31, 1969 and 1968 is:

|                         | Shares           | Amount            |
|-------------------------|------------------|-------------------|
| Mining properties ..... | 1,550,000        | \$ 145,000        |
| Investments .....       | 16,000           | 1,600             |
| Cash .....              | 3,366,571        | 643,115           |
|                         | <u>4,932,571</u> | <u>\$ 789,715</u> |

### 4. OTHER STATUTORY INFORMATION

Directors' and senior officers' remuneration as defined by The Corporations Act amounted to \$4,865 in 1969 (\$500 in 1968).